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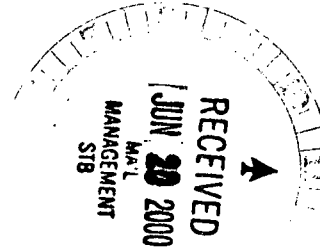
JUN 22 '00

4:00 PM

June 14, 2000

**SURFACE TRANSPORTATION BOARD
VIA CERTIFIED US MAIL**

Honorable Linda Morgan
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423



RE: FULL TERMINATION of Security Interest - Recordation No. 18350
(Our File No. DM-100-05.AB)

Dear Secretary:

Enclosed herewith, in compliance with 49 CFR § 1177.3, please find an original and three counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Full Termination of security interest, a secondary document, dated June 12, 2000. The primary document to which this is connected is recorded under Recordation Number 18350, recordation date July 29, 1993.

The names and addresses of the parties to the documents are as follows:

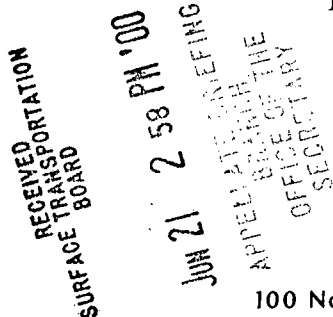
Lease Assignee: Merrill Lynch Business Financial Services, Inc.
222 N. LaSalle St.
17th Floor
Chicago, IL 60601

Lessee: Dakota, Minnesota & Eastern Railroad Corp.
PO Box 178
Brookings, SD 57006-0178

A description of the equipment covered by the document follows:

Four (4) GP-38 model locomotives with the reporting marks:

DME 3800	(formerly DME 3830)
DME 3801	(formerly DME 3831)
DME 3802	(formerly DME 3832)
DME 3803	(formerly DME 3833)



Surface Transportation Board
Filing - Full Termination of Security Interest
Recordation No. 18350
4 GP-38 locomotives - DME 3800-3803
June 14, 2000 - Page 2

RECORDATION NO. _____ FILED

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~~SURFACE TRANSPORTATION BOARD~~

A fee of \$26.00 is enclosed. Please return any copies not needed for recordation to me with a notation of the recordation number, date and time of filing for our records.

A short summary of the document to appear in the index as described in 49 CFR § 1177.4(a) follows:

Other secondary documents - Full Termination of security interest through Assignment of Lease with Recordation No. 18350-A, recorded July 29, 1993 and covering 4 GP-38 locomotives.

Should you have any questions or require additional information with respect hereto, please do not hesitate to contact me.

Sincerely,

CUTLER, DONAHOE & MICKELSON, LLP



Brian J. Donahoe

For the Firm

Attorneys for Dakota, Minnesota & Eastern Railroad
Corp.

BJD:lk

Enclosures

cc: Kurt Feaster (w/encl.)
Ellen Meeuwsen (w/encl.)

JUN 22 '00 4:00 PM

FULL TERMINATION

PURSUANT to the Lease Agreement dated May 25, 1993, as amended, between GP 38 Partners 89, a Pennsylvania general partnership ("Lessor"), and Dakota, Minnesota & Eastern Railroad Corporation, a Delaware corporation ("Lessee"), as assigned to Merrill Lynch Business Financial Services, Inc., a Delaware corporation ("Assignee") by Lessor under that certain Collateral Assignment of Lease dated as of July 21, 1993, this FULL TERMINATION is made this 12 day of June, 2000, by Assignee.

WITNESSETH:

WHEREAS, the Lessor and Assignee have terminated the Collateral Assignment of Lease Agreement dated as of July 21, 1993,

NOW, THEREFORE, in consideration of the premises herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledge, Assignee agrees as follows:

1. Full Termination Removing Equipment From the Lease. Assignee hereby terminates and releases any security interest in and to:

All collateral as covered in the Lease Agreement of the parties evidenced by the Memorandum of Lease, under Recordation No. 18350, as may have been amended, including Recordation No. 18350-A and 18350-B and any other secondary documents.

IN WITNESS WHEREOF, the undersigned has caused this Full Termination to be executed as of the date first above written.

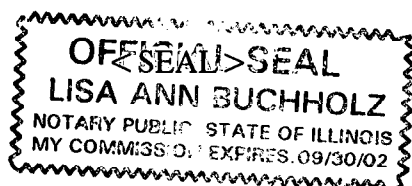
MERRILL LYNCH BUSINESS
FINANCIAL SERVICES, INC., ASSIGNEE

By Dave O'Leary
Its: Vice President

STATE OF ILLINOIS)
 : SS
COUNTY OF COOK)

On this, the 12 day of June, 2000, before me, the undersigned officer, personally appeared Darren O'Leary, who acknowledged himself to be a Vice President of Merrill Lynch Business Financial Services, Inc., a corporation, and that he, as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Lisa Ann Buchholz
Notary Public, Illinois
My Commission Expires: 09/30/02